that if not managed appropriately, the surge in capital inflow into India could trigger a future financial crisis; and

(b) if so, what appropriate policies are formulated to manage the inflow?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) The Reserve Bank of India (RBI) in its Report on Currency and Finance, 2003-04, points out that opening up of the services to international trade and remittances flows have accelerated global intergration. This has implications for the conduct of monetary policy as well as the monetary transmission mechanism. The report also observes that a more serious challenge to the conduct of monetary policy emerges from the capital account. The report mentions that like other emerging market economics (EMEs), India too has attracted large capital flows in recent years, whose effect has been augmented by surpluses in the current account. Indicating that these external sector developments have influenced conduct of monetary policy, the report points out that a multi-pronged approach has been followed in India for managing capital flows to ensure domestic economic and financial stability. The main features of this approach include; liberlization of policies relating to capital account outflows, encouraging pre-payment of external borrowings; alignment of interest rates on non-resident deposits; and greater exchange rate flexibility. The report further states that these measures have been supplemented with sterilization operations to minimize inflationary impact of capital flows and ensure financial stability.

Uniform Stamp Duty

2216. DR. T. SUBBARAMI REDDY:
SHRI MOOLCHAND MEENA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have proposed a uniform stamp duty regime of 5 per cent across all States to unearth black money and to develop a robust secondary market in real estate;

(b) whether the Prime Minister has favoured this regime and he would come up with a policy framework in the Union Budget to enable States to move to 5 per cent stamp duty;

(c) if so, to what extent this decision of Government has been welcomed; and

(d) whether all the States have agreed to this proposal?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) Central Government do not have any proposal under consideration for a uniform stamp duty regime of 5 per cent across all States to unearth black money and to develop a robust secondary market in real estate, as the matter relating to stamp duty on real estate transactions comes under the purview of the State Governments, by virtue of Entry 63 in List-II (State List) in the Seventh Schedule of the Constitution of India. Hence, it is for the State Governments to take a decision in the matter.

DA due to Central Government Employees

2217. SHRI LALIT SURI:
SHRI ABANI ROY:

Will the Minister of FINANCE be pleased to state:

(a) the quantum of additional dearness allowance/relief, in terms of the recommendations of the Fifth Pay Commission that has become due to the Central Government employees and pensioners *w.e.f.* 1st January, 2005; and

(b) by when the announcement to release the same is likely to be made?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Dearness Allowance (DA)/ Dearness Relief (DR) to Central Government Employees/Pensioners is revised twice a year from 1st January and 1st July and normally payable with salary for the months of March and September respectively. The revised amount of DA/DR will be notified at the appropriate time.

Traders' stir against service Tax

2218. SHRI TARIQ ANWAR: Will the Minister of FINANCE be pleased to state: